

## **FACT SHEET: Response to Embezzlement at Great Sand Dunes NP**

In January, 2011, internal budgetary audits found that an employee at Great Sand Dunes National Park and Preserve had used government checks (third party drafts) and charge cards to embezzle more than \$700,000 in park funds.

With the cooperation of the Internal Revenue Service, the National Park Service immediately began a criminal investigation. Agents found that the abuses began in January, 2007. Based on the initial results of the investigation, the employee responsible was referred to the U.S. Attorney in Denver for criminal prosecution.

The National Park Service also immediately referred the case to the Department of the Interior's Inspector General for investigation, including a review of supervisory failures.

The National Park Service has undertaken personnel actions in response to this matter. The employee responsible was terminated. The employee's immediate supervisor was sanctioned, and has since resigned. The senior manager was also sanctioned. Specific information regarding disciplinary actions cannot be released, per the Privacy Act.

The National Park Service and the Department have implemented several reforms designed to reduce the risk of fraud and abuse of this kind. Specifically, NPS:

- Eliminated third party drafts Service-wide;
- Completed a Service-wide audit of third party drafts;
- Directed the NPS Comptroller to conduct expanded audits Service-wide;
- Will strengthen its charge card policy to reduce the number issued, improve training, increase reviews, and cancel those that are infrequently used;
- Will implement and require more comprehensive internal controls training;
- Will require that all Superintendents sign financial assurance statements; and
- Will implement regular, random tests on managers' adherence to financial management internal controls.

In addition, the Assistant Secretary for Policy Management and Budget in the Department of the Interior has directed that the Department:

- Ensure that third party drafts are eliminated Department-wide. Third party drafts are outside of DOI policy;
- Issue guidance to all DOI entities to ensure they are implementing internal controls. In this case internal controls were in place, but the managers were not following the necessary procedures;
- Evaluate the extent and effectiveness of processes and procedures that are employed to prevent fraud, waste, and abuse;
- Implement mandatory internal controls training for all DOI managers;
- Ensure all managers' performance plans include a strong performance element regarding the responsibility to implement internal controls and ensure adequate funds control and financial oversight;
- Implements new business processes - DOI's new Financial and Business Management System requires the segregation of ordering and approving duties, thereby requiring increased oversight of purchases and disbursements.